

2016

Maryland Green Purchasing Annual Report



October 1, 2016

Maryland Department of General Services

Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor



Ellington E. Churchill, Jr.
Secretary

MARYLAND DEPARTMENT OF GENERAL SERVICES

FACILITIES OPERATIONS & MAINTENANCE • FACILITIES PLANNING, DESIGN, CONSTRUCTION & ENERGY
PROCUREMENT & LOGISTICS • REAL ESTATE

October 1, 2016

The Honorable Larry Hogan
Governor of Maryland

The Honorable Thomas V. "Mike" Miller, Jr.
President of the Senate

The Honorable Michael E. Busch
Speaker of the House of Delegates

Gentlemen:

As Chair of the Maryland Green Purchasing Committee, please accept the enclosed 2016 Green Purchasing Annual Report which represents a joint effort of the hard work of multiple state agencies. In compliance with Chapter 593 of the Acts of 2010, the State of Maryland is acquiring goods and services that have a reduced effect on the health and the environment compared to other products that serve the same purpose. These environmentally preferable products and services lead to energy and water efficiency, decrease green house gases among other attributes.

Since its inception, the Committee has been providing guidance, training and education to state agencies on the specifications and acquisition of green commodities and services. Early results show that state agencies were increasing their percentage of these purchases. However, recent trends show best practices and lessons learned need to be incorporated as we move forward to continue improving our sustainability. Therefore, the Committee's report addresses opportunities and processes to achieve and improve environmentally preferable purchasing mechanisms.

I am confident this report is a reflection of how the Administration continues "Improving the Quality of Life" of Marylanders.

Sincerely,

A large, stylized blue ink signature of Ellington E. Churchill, Jr., written over the name and title.

Ellington Churchill, Jr.
Secretary

Table of Contents

Background.....	1
Report.....	2
Appendix A: Statutory Department Members/Designees	
Appendix B: Maryland Environmentally Preferable Purchasing Report – Fiscal Year 2016	
Appendix C: FY16 versus FY15 Statewide Spending	



Background

The Green Maryland Act of 2010 was enacted to promote the use of environmentally preferable purchasing throughout State government and establish the Maryland Green Purchasing Committee ("Committee"). The Act is based upon the core principle that a greener environment benefits the State's economy, environment, and society. An Environmentally preferable product or service is one in which throughout the full life-cycle of the product or service: (1) is energy efficient, water efficient, bio-based, non-ozone depleting, made with recycled content or nontoxic; or (2) has other attributes recognized by the Maryland Green Purchasing Committee.¹

The Committee, comprised of several state agencies, is tasked with providing information and assistance regarding environmentally preferable purchasing (EPP) by developing and implementing a strategy (e.g., policies, guidelines, programs and regulations) and developing a best practices manual. State agencies are not required by the Act to purchase environmental preferable products that do not perform adequately, exclude adequate competition, and are not available at a reasonable price in a reasonable time. In addition, if a procurement officer determines that a procurement is inconsistent with federal requirements or may cause the denial of federal moneys, then the procurement does not apply. All bids or offers for a procurement contract must certify that any claims of environmental attributes relating to a product or service are consistent with the Federal Trade Commission's Guidelines.²

State agency membership on the Maryland Green Purchasing Committee includes: the departments of General Services, Budget & Management, Natural Resources, Environment, Health & Mental Hygiene, Commerce, Transportation, Public Safety & Correctional Services, Information & Technology, Education and the State Treasurer and University of Maryland System (See Appendix A). To encourage the maximum purchase of environmentally preferable commodities and services, the Committee consults with representatives of other federal or state agencies, the recycling industry, workgroups, environmental organizations, and task forces. The Committee also coordinates with regulatory efforts, research and data collection efforts, and other programs and services related to its purpose.

¹ http://mlis.state.md.us/2010rs/chapters_noln/Ch_593_sb0693E.pdf

² http://mlis.state.md.us/2010rs/fnotes/bil_0003/sb0693.pdf

The Committee created green purchasing guidelines and specifications that would, among other things, have a lesser or reduced negative effect or increased positive effect on human health and the environment, when compared with competing products that serve the same purpose. It also delivered training and organized educational events. Specifically, as a path forward, the Committee promoted the basic concept that buying and using sustainable products benefits the environment, promotes health, improves efficiency and saves money.

Report

The Green Purchasing Committee continues to fulfill its obligation to provide assistance to state agencies through the following:

- updating strategies and best practices for implementing environmentally preferable purchasing practices;
- developing and maintaining environmentally preferable procurement specifications; and
- evaluating and taking corrective action

Strategies and Best Practices

The Committee collaborates with the federal government and other states to further the concept of buying environmentally-sustainable products by sharing lessons learned through individual programs and replicating successful attributes. Top consideration was given to the need to continue internal and external communications; enhance educational programs; revise documentation requirements; and implement operational controls.

Communication

The Committee is working to enhance internal and external communication with both procurement personnel and vendors about the need to supply products that contain multiple environmental attributes, including reducing greenhouse gases. The Committee uses several communication tools to reinforce that environmentally preferable products and services have a lesser or reduced negative effect on human health and the environment when compared with competing products or services that serve the same purpose. In the last year, the Committee has achieved the following:

- met individually with procurement officers, circulated articles in agency/website newsletters;

- provided links to websites on information and notices on green procurement of products and services, waste prevention and recycling; and
- participated in environmental and energy sustainability forums.

Education

Direct consequences of improved internal and external communication were discussion threads, which revealed the desire of stakeholders to improve their knowledge of the green certification and verification process, the frequency of approvals, and the decertification of products and services. These broader discussion topics demonstrated that stakeholders are invested in the benefits to the health and well-being of Maryland citizens and the environment, as well as the efficient and economical use of state funds. The Green Purchasing Committee is encouraged by this level of buy-in and will focus on researching opportunities to provide additional educational resources, materials, and activities in the coming year.

Documentation Requirements

The Committee is on a path to incorporating better documentation requirements. Following training and education on how to purchase green products, improved documentation is necessary to justify why green products and services were not purchased, e.g., price, performance or availability. Better documentation is also necessary to capture products that are supplied in the performance of work in leased buildings. Lastly, performance data, reports and records are needed to provide fiscal estimations and verifications.

Operational Controls

The Green Purchasing Committee is actively ensuring that all environmentally preferable products are addressed in all procurement actions at appropriate stages of the procurement process. The Committee is participating in webinars and other forums that provide guidance on drafting and reviewing recommendations about incorporating environmentally preferable language into bids. These recommendations also show how to include additional sustainable language into contracts. If there is justification not to purchase green products, then protocols will be established to provide for automatic substitution procedures, where appropriate and feasible.

Designing and Maintaining Environmentally Preferable Specifications

The State of Maryland promotes the purchasing of goods and services that result in reduced waste and pollutants. This applies to raw materials, manufacturing, packaging, distribution, use, reuse, operation, maintenance, and disposal. The supply-chain of green products has grown and so has the knowledge base

and acceptance of these products. The Committee keeps apprised of environmental designs and attributes through educational resources that focus on leveraging the power of the contract, verifying green claims, and understanding environmental claims.

For example, the Committee readily identifies ongoing opportunities for state agencies to “green” their contracts by incorporating additional sustainability and environmentally preferable product language into bids (e.g., Energy Star compliance, third party certification, and percentage requirements on recycled content). Another example is that some suppliers are required to take back products for recycling (e.g., toner cartridges). However, the Committee is considering how best to require contractors to offer training on products, equipment, or services they are providing as suggested by the National Association of State Procurement Officials (NASPO).³ As a fall back, to verify green claims and minimize the receipt of unacceptable products, the Committee relies on the Federal Trade Commission’s published guidelines that require manufactures to explain environmental claims.

Evaluating and Taking Corrective Action

The Green Purchasing Committee is focusing on establishing a process for evaluation and reporting of environmentally preferable products. The Committee believes that it is imperative to have an initial review and then annual reviews of objectives and targets to ensure continued sustainability and effectiveness in meeting green procurement requirements. To that end, the Committee is seeking web-based training opportunities that share measurement tools, contract audit protocols and environmental compliance. The Committee is developing corrective action procedures to address any identified deficiencies. Lastly, the Committee will ensure that routine assessments are conducted annually of the effectiveness of environmentally preferable purchasing and the transformative and sustainable “greener” purchasing mechanisms.

FY15 vs. FY16 Environmentally Preferable Purchasing

In Fiscal Year 15 the total purchase of products and supplies was \$9,148,863.23, and in Fiscal Year 16 the total purchase amount was \$6,282,860.00 (See Appendices B and C). The significant difference in price between both fiscal years is a clear indication that less products and supplies were procured or is a result of missing data. The Committee believes that a process improvement could focus on on accounting for outside green purchases that are not tracked through the Statewide procurement system (i.e credit card

³ <http://www.naspo.org/green/index.html>

transactions). Moving forward, the Committee will also establish and require regular reporting from vendors to validate environmentally preferable purchases.

In closing, the 2016 Green Purchasing Committee focused on information gaps, fostered better purchasing decisions and, ushered in a continuous improvement process. The Committee will be an ongoing resource to guide state agencies in selecting and purchasing green products and services. Their actions and commitment *Improve the Quality of Life of all Marylanders*.

Appendix A: Statutory Department Members/Designees

GENERAL SERVICES

Ellington Churchill, Jr. | 301 W. Preston Street, Baltimore, MD 21201 |
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BUDGET AND MANAGEMENT

Larry Williams, Fleet & Travel Administrator |
45 Calvert Street, Annapolis, MD 21401 |
410-260-7195 | larry.williams@maryland.gov



NATURAL RESOURCES

Mary Huffman, Procurement Specialist II |
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ENVIRONMENT

William Kamberger, Director of Procurement & Contract Management |
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410-537-3076 | william.kamberger@maryland.gov



HEALTH AND MENTAL HYGIENE

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DEPARTMENT OF COMMERCE

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410-767-6488 | Lisa.Jones1@maryland.gov



TRANSPORTATION

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UNIVERSITY OF MARYLAND SYSTEM

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MARYLAND STATE TREASURER

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MARYLAND DEPARTMENT OF INFORMATION TECHNOLOGY

Carla Thompson, MBE, SBR Coordinator | 100 Community Place, Crownsville, MD 21032 |
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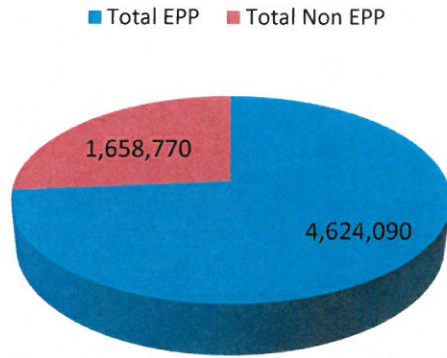
Appendix B: Maryland Environmentally Preferable Purchasing Report – Fiscal Year 2016

VENDOR_NAME	EPP Spend	Green Reference *	Other Commodity	Grand Total
ACCURINT	\$17,610			\$17,610
ACME PAPER & SUPPLY CO INC	\$1,166			\$1,166
AJ STATIONERS INC	\$65,906		\$124,088	\$189,994
APPLE COMPUTER INC	\$1,332			\$1,332
APPLIED TECHNOLOGY SERVICES	\$8,778			\$8,778
BATTERY ONE	\$580			\$580
BIDDLE STREET CATERING	\$467			\$467
BIO RAD LABORATORS INC	\$1,651			\$1,651
BLIND INDUSTRIES & SERVICES OF MARYLAND	\$2,552,262	\$106,397	\$720,614	\$3,379,272
CAROUSEL INDUSTRIES OF NORTH AMERICA INC	\$75,118			\$75,118
CDWG	\$12,390			\$12,390
DALY COMPUTERS	\$211,778			\$211,778
DATA NETWORKS	\$31,045			\$31,045
DELL	\$460			\$460
DELL MARKETING LP	\$8,420			\$8,420
DSR INC	\$39,950			\$39,950
ECOLAB INC	\$123			\$123
EPLUS TECHNOLOGIES	\$11,593			\$11,593
FASTENAL COMPANY	\$15,000			\$15,000
FIBERPLUS INC	\$1,997			\$1,997
GABRIEL FIRST CORP	\$930			\$930
GRAINGER	\$53			\$53
HCGI HARTFORD	\$11,705			\$11,705
HEARTLAND SERVICES	\$384			\$384
HOLBROOK ENVIRONMENTAL INC	\$2,125			\$2,125
HORIZON	\$1,533			\$1,533
K-TAP DOCUMENT IMAGING LLC	\$32,878			\$32,878
MITCHELL REPAIR INFORMATION CO LLC	\$5,016			\$5,016
MVS INC	\$24,709			\$24,709
NON PROFIT INDUSTRIES INC	\$54,500			\$54,500
OTHER (Corrective Action Required)	\$466,448			\$466,448
RUDOLPHS OFFICE & COMPUTER SUPPLY INC	\$326,508	\$93,224	\$442,311	\$862,042
SAITECH INC	\$53,804			\$53,804
SHI INTERNATIONAL CORP	\$18,323			\$18,323
STAPLES TECHNOLOGY SOLUTIONS	\$337,057	\$2,719	\$371,757	\$711,534
STATE OF MARYLAND - MCE	\$3,963			\$3,963
SUREQUEST SYSTEMS INC	\$6,752			\$6,752
TIGERDIRECT	\$430			\$430
ULINE SHIPPING SUPPLY SPECIALISTS	\$52			\$52
UNIVERSITY PRODUCTS INC	\$2,810			\$2,810
US GAMES	\$3,888			\$3,888
USC CANTERBURY CORP	\$10,258			\$10,258
Grand Total	\$4,421,750	\$202,340	\$1,658,770	\$6,282,860

* Green Reference- indicates green products

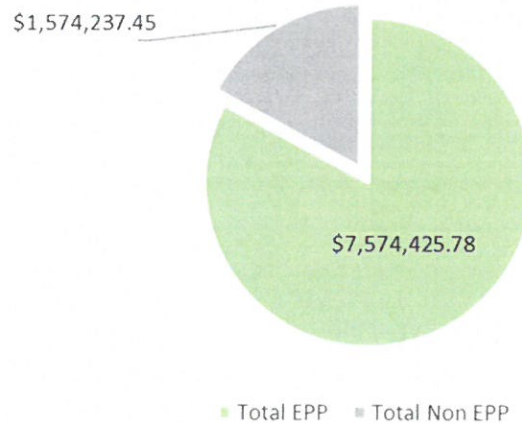
Appendix C: FY16 versus FY 15 Statewide Spending

FY 16 Statewide Spending - Contracts Reporting on EPP



FY15 Statewide Spending Contracts Reporting on EPP

Statewide Spending - Contracts Reporting on EPP



Maryland's State
Government Leads by
Example:



Maryland Green Purchasing Committee

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